



ProsperPlan
Wealth

100% FIDUCIARY FINANCIAL PLANNING

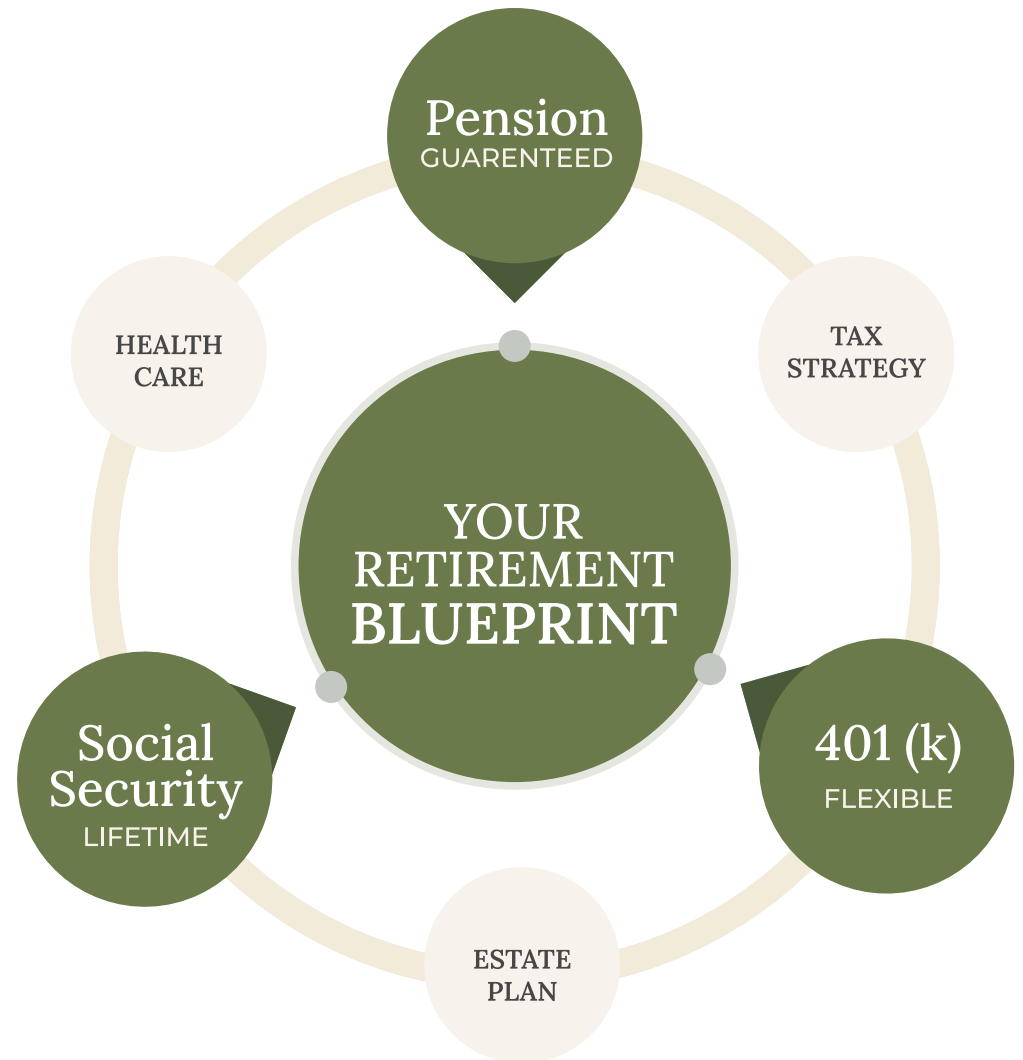
A COMPREHENSIVE GUIDE FOR
KAISER PERMANENTE PROFESSIONALS

The Kaiser Permanente® Retirement Blueprint

A thoughtful, coordinated approach to retiring well — designed for Kaiser professionals who have spent their careers caring for others.



**KAISER
PERMANENTE®**



01 Your Next Chapter Deserves the Same Dedication

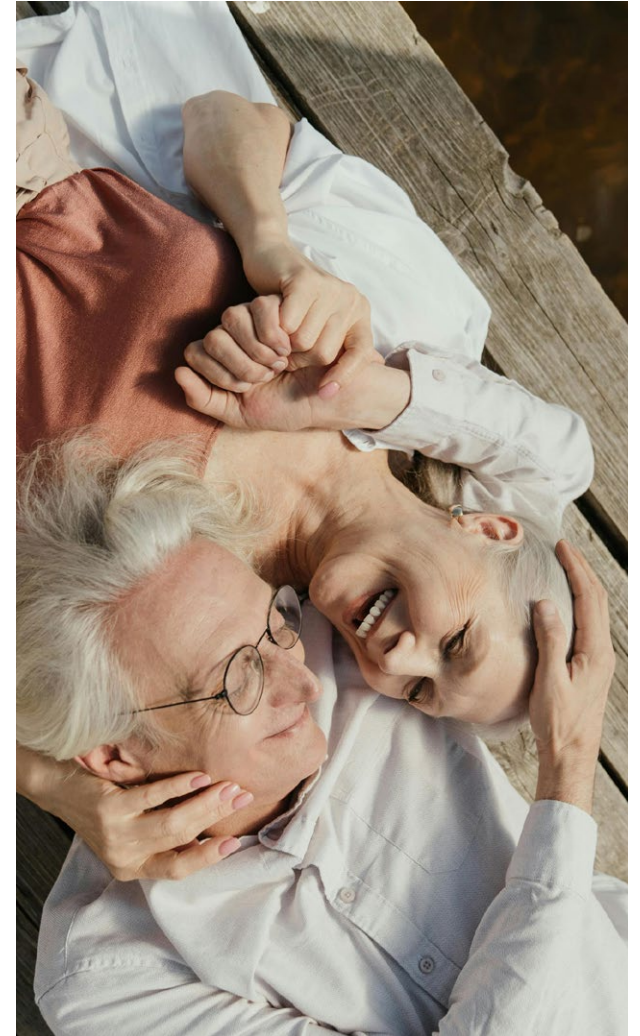
If you have built a career at Kaiser Permanente, you have spent years caring for others, solving complex problems, and contributing to something meaningful. Retirement is your next chapter – and it deserves the same level of thoughtfulness.

For many Kaiser professionals, the transition into retirement is not about whether they have done enough. It is about whether everything they have built will work together the way it should. Kaiser offers strong benefits. But benefits alone do not create clarity.

True confidence comes from understanding how your pension, 401(k), Social Security, healthcare, and tax strategy all work together as a coordinated system designed to support your life.

“*The most meaningful improvements do not come from one isolated decision. They come from coordination.*”

– Lauren Williams, CFP®, MBA, CRPC®



The Reality of Retirement Planning



As retirement approaches, many professionals begin to realize that financial decisions are more interconnected than they first appeared. What once felt manageable — saving, investing, and contributing — begins to shift into something more complex: timing, sequencing, and coordination.

For many people, retirement planning still feels fragmented. One conversation about investments. Another about Social Security. A separate decision about pensions. Healthcare often left until the last minute. Each piece may be handled well on its own — but retirement does not happen in pieces.

It's a financial ecosystem.

02 Understanding What You Have Built

Kaiser employees are in a uniquely strong position compared to many retirees today. You may have access to what was once called the “three-legged stool” of retirement – a structure designed to create stability, flexibility, and long-term security.

Most retirees today rely heavily on just one or two of these pillars. If you have all three, that is a meaningful advantage. But it also introduces a new layer of complexity — because the real question is no longer simply “Do I have enough?” It becomes: **“How do I use what I have in the most effective way?”**

Understanding What You Have Built

Pension



A predictable, employer-backed income stream — the rarest and most powerful of the three legs. Provides guaranteed income for life, anchoring your entire retirement plan.

401(k)



Your flexible, tax-advantaged savings vehicle. In retirement, this transitions from an accumulation tool into a precision income and tax management instrument.

Social Security



One of the most valuable and most misunderstood components of retirement. When you claim matters a great deal — with ripple effects that last decades.

When all three pillars are in place, the challenge shifts from accumulation to orchestration. Each decision you make about one pillar affects the others in ways that are easy to underestimate — and costly if discovered too late.

03 Your Pension: The Foundation of Stability

For many Kaiser employees, the pension is the anchor of retirement income. It represents something increasingly rare: a predictable, employer-backed income stream that can last for life.

That stability can be incredibly powerful — but only if the decisions surrounding it are made thoughtfully. As retirement approaches, the pension moves from being a background benefit to a central decision point.

“Your pension is more than a line item on a benefits statement. It is a lifelong income decision.”
 — Lauren Williams, CFP®, MBA. ProsperPlan Wealth

How the Kaiser Pension Works

While every plan has nuances, many Kaiser pensions follow a formula-based approach where your years of service and compensation work together to determine your benefit.

SAMPLE ILLUSTRATION OF KAISER PERMANENTE DOCTOR'S PENSION BENEFIT

$$\begin{array}{ccccccc}
 \mathbf{2\%} & \times & \mathbf{\$250K} & \times & \mathbf{10} & = & \mathbf{\$50,000} \\
 \text{Per year of service (first 20 years)} & & \text{Annual salary} & & \text{Years of services} & & \text{Estimated annual pension income}
 \end{array}$$

SAMPLE ILLUSTRATION OF KAISER PERMANENTE LEVEL III NURSE'S PENSION BENEFIT

$$\begin{array}{ccccccc}
 \mathbf{1.45\%} & \times & \mathbf{\$220K} & \times & \mathbf{26} & = & \mathbf{\$82,000} \\
 \text{Per year of service} & & \text{Annual salary} & & \text{Years of services} & & \text{Estimated annual pension income}
 \end{array}$$

SAMPLE ILLUSTRATION OF KAISER PERMANENTE ALLIED HEALTH/NON-UNION PENSION BENEFIT

$$\begin{array}{ccccccc}
 \mathbf{1.5\%} & \times & \mathbf{\$200K} & \times & \mathbf{20} & = & \mathbf{\$60,000} \\
 \text{Per year of service} & & \text{Annual salary} & & \text{Years of services} & & \text{Estimated annual pension income}
 \end{array}$$

What Is Your Pension Really Worth?

Your lump sum pension represents the present value of all the monthly payments you would receive over your lifetime, calculated using a discount rate. Like the lottery, you're choosing between a guaranteed stream of income over time or a single upfront payout today.

THE HIDDEN WEALTH IN YOUR PENSION

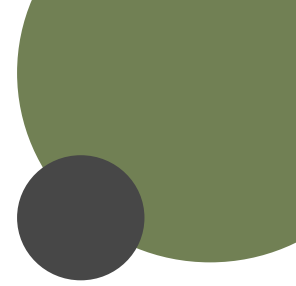
\$ 1M+

A \$50,000/year pension may represent the equivalent of \$800,000 to \$1,000,000 or more in total asset value.

This reframing shifts the pension from something abstract into something tangible — a vital component of your overall financial picture that deserves careful strategic consideration.



Pension Payment vs. Lump Sum



Depending on your specific plan, you may have the opportunity to take a lump sum pension payout. This is one of the most consequential financial decisions you will face.

MONTHLY PAYMENTS MAY BE RIGHT FOR YOU IF...

You Value Certainty

- You prefer guaranteed, predictable income
- You want less exposure to market volatility
- You expect to live a long life (longevity advantage)
- You want simplicity in managing retirement income

LUMP SUM MAY BE RIGHT FOR YOU IF...

You Value Legacy

- You prefer control over your money and investments
- You want to leave a financial legacy to heirs
- You can achieve higher returns via professional management
- You have other guaranteed income sources available

The best answer is not universal. It is personal — and it should be evaluated within the context of your full financial plan. We model multiple scenarios including longevity, taxes, various investment outcomes, and survivor needs, so you can make a decision you will not second-guess later.



04 Your 401(k): Flexibility and Opportunity

While the pension provides stability, your 401(k) provides something equally important: flexibility. As you approach retirement, its role begins to shift — from a savings vehicle into a precision income and tax management tool.

It is no longer just an accumulation account. It becomes a tool that can be used to shape income, manage taxes, and adapt to changing needs over time.

“Your 401(k) stops being just an investment account — it becomes part of an income system.”
— Chris Grellas, CFP®, MSFA. ProsperPlan Wealth



Bridge Early Retirement

If you retire before Social Security or Medicare eligibility, your 401(k) provides crucial income during the bridge period — filling the gap until other income streams begin.



Supplement Pension Income

Even with a strong pension, your 401(k) offers spending flexibility for large purchases, travel, healthcare needs, and lifestyle enhancement without disrupting your guaranteed income base.



Support Tax Planning Strategies

Strategic 401(k) withdrawals can help you manage tax brackets, execute Roth conversions during low-income years, and minimize your Required Minimum Distribution burden later.



Provide Growth & Long-Term Flexibility

A well-invested 401(k) continues to grow throughout retirement, providing a buffer for inflation, unexpected expenses, and legacy planning for your family.

05 Tax Strategy: The Hidden Lever

Taxes are often one of the least visible aspects of a retirement plan – but they can have one of the greatest long-term impacts. The way income is generated during retirement can matter just as much as the amount of your income.

Without a coordinated tax strategy, it is easy to pay more than necessary, miss planning opportunities, and create unintended consequences. With planning, the opposite is true — even small adjustments, applied consistently over time, can meaningfully improve long-term outcomes.



Withdrawal Sequencing

The order in which you draw from taxable, tax-deferred, and tax-free accounts can significantly reduce your lifetime tax bill. Sequence matters.



RMD Planning

Required Minimum Distributions can force large taxable income at inopportune times. Proactive planning reduces RMD exposure before they begin at age 73.



Bracket Management

Understanding how pension income impacts your tax bracket opens opportunities to “fill” lower brackets strategically each year — reducing taxes long-term.



Medicare IRMAA

Higher income in retirement triggers Medicare premium surcharges. 401(k) withdrawals directly affect these premiums — coordinating income keeps costs lower.



Roth Conversions

Converting pre-tax funds during low-income years or early retirement can create tax-free income later — and reduce future RMD burdens significantly.



Legacy & Estate Tax

The assets you leave behind carry tax implications for your heirs. Proactive estate planning ensures more of what you built transfers efficiently to your family.

06 Social Security: Timing Is Everything

Social Security is one of the most valuable – and often most misunderstood – components of retirement income. The decision of when to claim has ripple effects that extend far beyond the initial payment.

The key is not simply choosing an age. It is choosing a strategy that fits into your broader financial picture – one that accounts for your income needs, spousal coordination, tax exposure, and longevity expectations.

62

EARLY CLAIM

Access benefits sooner, but at a permanent reduction of up to 30%. Best if you need income now or have significant health concerns affecting longevity.¹

67

STANDARD CLAIM

Receive your full primary insurance amount. The baseline benefit with no reduction or bonus. A reasonable default for many retirees.¹

70

DELAYED CLAIM

Benefits increase 8% per year beyond full retirement age. The highest lifetime benefit — particularly powerful for healthy individuals and spousal planning.¹

For married couples, coordinating when each spouse claims can dramatically increase lifetime household income. The higher earner's delayed benefit also maximizes the survivor benefit — a critical consideration for long-term spousal security.

“A one-year delay in claiming Social Security can permanently increase your benefit by 8% – for the rest of your life, and potentially your spouse's life too.”

– PROSPERPLAN WEALTH RESEARCH

07 Healthcare: Planning for Peace of Mind

Healthcare is one of the most important – and often least predictable – components of retirement. Even for Kaiser employees, where benefits are strong, the transition into retirement introduces new questions and decisions.

For many people, uncertainty around healthcare is one of the biggest sources of hesitation when it comes to actually retiring. By planning ahead and integrating healthcare into your financial model, retirement can feel far more stable and far less uncertain.

“Confidence increases dramatically when we remove unknowns. Healthcare is one of the biggest unknowns – and one of the most plannable.”

– Lauren Williams, CFP®, MBA. ProsperPlan Wealth

KEY QUESTIONS WE HELP ANSWER

Coverage & Transition

- When does Medicare coverage begin?
- How do Kaiser benefits coordinate with Medicare?
- What happens to coverage between retirement and age 65?
- What are the enrollment windows and deadlines?

FINANCIAL PLANNING DIMENSIONS

Cost & Strategy

- How do we project long-term healthcare costs?
- How does income level affect Medicare premiums (IRMAA)?
Should long-term care insurance be part of the plan?
- How do healthcare costs affect portfolio withdrawal rate?

08 The Power of Integration

At this stage, something important becomes clear: none of these decisions exist in isolation. Each one influences the others in ways that are easy to miss – and costly to ignore.



Pension → Taxes

Pension income directly affects your tax bracket — which in turn shapes when and how much to convert to Roth, when to withdraw from your 401(k), and how to time Social Security.

→ Affects bracket, Roth strategy, withdrawal sequencing



401(k) → Medicare Premiums

Large 401(k) withdrawals in any given year increase your MAGI, which can trigger Medicare IRMAA surcharges — sometimes adding thousands to your premium costs.

→ Affects IRMAA tiers, net income, and tax brackets



Social Security → Spousal Income

The timing and structure of Social Security claiming affects not just your benefit, but your spouse's survivor benefit for the rest of their life.

→ Affects spousal security, lifetime household income



Estate Planning → Long-Term Outcomes

How you title assets, name beneficiaries, and structure your estate affects both your retirement flexibility and what you ultimately leave behind for the people you love.

→ Affects legacy, tax efficiency, family wealth transfer

“When everything is coordinated, retirement stops feeling abstract — and starts feeling manageable.”

– CHRIS GRELLAS, CFP®, MSFA

09 Turning Complexity into Clarity

For many Kaiser professionals, the challenge is not a lack of resources — it is a lack of clarity around how to use them effectively. Here is what that transformation can look like.



Maria, Age 61

20+ Years at Kaiser Permanente • Retiring within 12 months • Senior Clinical Professional

Like many professionals, Maria was not unsure if she had enough — she was unsure about what the best decisions for her were. She had a pension, a substantial 401(k), Social Security approaching, and questions about healthcare. Each decision mattered. And each affected the others.

BEFORE PLANNING

- ✗ No clear income sequence or withdrawal strategy
- ✗ Uncertain Social Security claiming timeline
- ✗ No defined tax strategy or Roth plan
- ✗ Pension decision viewed in isolation
- ✗ No idea how to navigate the retirement benefits system at KP

AFTER COORDINATING WITH



ProsperPlan
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- ✓ Pension decisions aligned with long-term income needs
- ✓ Structured 401(k) withdrawal strategy established
- ✓ Intentional Social Security claiming timeline set
- ✓ Roth conversion opportunities identified and scheduled
- ✓ Healthcare fully integrated into the financial model

“When everything is mapped out together, clients often realize they have more control than they thought — and more opportunity than they imagined.”

— CHRIS GRELLAS, CFP®, MSFA

WHAT WE SEE MOST OFTEN

10 Common Mistakes to Avoid

Over time, we have seen a consistent pattern. Even highly capable, thoughtful professionals can run into challenges — not because they lack knowledge, but because retirement introduces a level of complexity that is difficult to navigate alone.

Most mistakes are not dramatic. They are subtle. And they often come from decisions being made in isolation rather than as part of a coordinated plan.

1

Taking the Pension Default Without Analysis:

Defaulting to the standard payment option without modeling the lump sum alternative, survivor considerations, or tax implications can leave significant value on the table.

2

Claiming Social Security Too Early or Too Late:

Claiming at 62 for immediate income feels logical, but for many people the long-term cost of reduced lifetime benefits — and reduced survivor benefits — far outweighs the short-term gain.



3

Ignoring Roth Conversion Opportunities:

The years between retirement and age 73 (when RMDs begin) are often the lowest-income years of your financial life — and the best window for tax-efficient Roth conversions.

4

Overlooking Medicare Premium Surcharges:

Large account withdrawals or Roth conversions without careful planning can push income above IRMAA thresholds, adding thousands in unexpected Medicare costs.

5

Planning Without a Healthcare Bridge Strategy:

Retiring before age 65 without a clear plan for bridging to Medicare can result in unexpectedly high costs or gaps in coverage during a critical period.

6

Treating Each Decision as Independent:

The most costly mistake is making pension, Social Security, tax, and healthcare decisions separately. Each one affects the others. Coordination is where the real value lives.

A PERSONAL INVITATION FROM PROSPERPLAN WEALTH

You Have Built Something Remarkable.

At some point, retirement stops being theoretical and starts becoming real. When that happens, having a clear, coordinated plan makes a meaningful difference — not just financially, but emotionally. You have worked hard. You have served your patients and your community. Now it is time to make sure everything you have built works as hard for you.

SCHEDULE A COMPLIMENTARY CONSULTATION

DOWNLOAD OUR RETIREMENT CHECKLIST



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1 Delayed Retirement Credits: How Waiting Past Full Retirement Age Increases Your Benefit